

MILPITAS OVERSIGHT BOARD

TO THE CITY OF MILPITAS ACTING AS THE RDA SUCCESSOR AGENCY

455 EAST CALAVERAS BOULEVARD, MILPITAS, CA 95035-5479
GENERAL INFORMATION: 408-586-3000 www.ci.milpitas.ca.gov

MILPITAS OVERSIGHT BOARD MEETING

Milpitas City Hall Committee Room
455 East Calaveras Blvd.
Milpitas, CA 95035

MEMBERS:

Jane Corpus
Bruce Knopf, Vice Chair
Mike McInerney, Chair
Michael Mendizabal
Althea Polanski
Matthew Tinsley
Glen Williams

ALTERNATES:

Alan Minato

Suzanne Carrig
Michael Fogelstrom

DRAFT Minutes of the November 8, 2017 Meeting

I. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Chair McInerney called the meeting to order at 1:30 p.m.

ROLL CALL

MEMBERS PRESENT: Jane Corpus, Bruce Knopf, Mike Mendizabal, Mike McInerney, Althea Polanski, Matthew Tinsley and Glen Williams

MEMBERS ABSENT: None

II. PUBLIC FORUM: None

III. APPROVAL OF AGENDA

Moved by Ms. Polanski and seconded by Mr. Williams to approve the agenda. The motion passed unanimously.

IV. APPROVAL OF MINUTES: June 14, 2017 Meeting.

Mr. Knopf requested an amendment after the word "property" in the fifth sentence of the sixth paragraph on page 2, under Old Business, to add the phrase, "because it was purchased by the Redevelopment Agency and not the City," so the sentence should read: "In the case of 230 N. Main Street, the Successor Agency owns the property, *because it was purchased by the Redevelopment Agency and not the City*, but under the Dissolution Law has no authority to build a park."

Moved by Mr. Knopf and seconded by Ms. Polanski to approve the minutes of June 14, 2017 as amended. The motion passed by the following vote: **AYES:** Corpus, McInerney, Polanski, Tinsley and Williams **NOES:** 0 **ABSENT:** 0 **ABSTAIN:** Mendizabal.

V. OLD BUSINESS: None

VI. NEW BUSINESS

- A. Report and Recommendation from Ad Hoc Committee of Oversight Board Regarding Results of Request for Proposals (RFP) Process for the Sale of Property No. 3 Listed on the Long Range Property Management Plan and Located at 230 N. Main Street, Milpitas, California (APN 028-34-001 through 028-34-094).
 1. Consider Adoption of Resolution No. 88 Approving the Sale of Property Located at 230 N. Main Street, Milpitas, California (APN 028-34-001 through 028-34-094) pursuant to the Long Range Property Management Plan and a Request for Proposals (RFP) Process.

Before taking comments from the Ad Hoc Committee members, Chair McInerney corrected a date in the Staff Report on Page 2 in the second paragraph where the Closing Date should read March 19, 2018 instead of March 16, 2016.

Board Member Polanski stated she is pleased that the Oversight Board has reached this point and that hopefully the Board will make an affirmative vote this afternoon for the community.

Board Member Williams echoed the sentiments of Board Member Polanski and said that everyone on the Board understood the community's desire to have this parcel become a park. He further commented that under the laws and regulations from Sacramento that govern the Board, it has a fiduciary responsibility to the taxing entities and that he is pleased that the Milpitas Community Museum group submitted an offer that is a reasonable value for the land under its current zoning.

During public comment, two residents of Milpitas, Mr. Steve Munzel and Mr. Joe Ehardt spoke in support of a community museum at this location and Ms. Jenny Treis, Program Manager for the County of Santa Clara, stated the County supports approving the highest bid and that the County is not retracting its bid.

After public comment, Chair McInerney clarified with the representatives of the Milpitas Community Museum and Mr. Will Fuentes, the City's Finance Director on the ability of the parties to meet the key requirements to begin the Due Diligence Period. Mr. Munzel, President of the Milpitas Community Museum, stated the Buyers will have no problem executing the agreement in three days, which moves to Monday since the third day falls on a Saturday, and notifying the Successor Agency. Director Fuentes said he plans to have the Council act on an item related to the Purchase and Sale Agreement at its November 21 meeting, which is within 15 days of the Buyer executing the Agreement. Director Fuentes also stated he will check to make sure that the Successor Agency is prepared to provide documents related to the condition of the property specified in the Purchase and Sale Agreement to the Buyers within three days of the execution by the two parties.

Board Member Mendizabal stated that in no way did he want to slow down the process but that with the Thanksgiving Holiday falling during this period of executing the Agreement that perhaps the Board should move some dates now. Such an action would allow the Board to avoid retroactively moving due dates as the Board has done in the past. Director Fuentes commented that he believed the fifteen days was adequate for the Successor Agency. Chair McInerney added that that if the days for the execution slip and the Due Diligence Period starts later, the Board has a meeting in January where the Board may adjust the Close Date if needed.

Board Member Knopf added, for the public record, that he was really pleased that the Board is now completing the implementation of the Long Range Property Management Plan and that the previous history of this site as a gas station and the remediation that went on is all part of the record that was established when the new Milpitas library was built.

Moved by Ms. Polanski and seconded by Mr. Williams to consider the adoption of Resolution No. 88 approving the sale of the property located at 230 N. Main Street, Milpitas, pursuant to the Long Range Property Management Plan and a Request for Proposals Process. The motion passed unanimously by the following vote: **AYES:** Corpus, Knopf, McInerney, Mendizabal, Polanski, Tinsley and Williams **NOES:** 0 **ABSENT:** 0 **ABSTAIN:** 0

VII. NEXT MEETING

A. Identify Potential Agenda Items.

1. Approving an Administrative Budget for FY 18-19
2. Approving the ROPS for the FY 18-19

B. Set Date and Time.

Next meeting will be January 22, 2018 at 11:00 a.m.

VIII. MEETING ADJOURNMENT

Moved by Mr. Mendizabal and seconded by Ms. Knopf, Chair McInerney adjourned the meeting at 2:06 p.m. on the consensus of the Board.

Meeting minutes drafted and submitted by
Barbara Crump, Board Secretary

Approved on January 22, 2018

Mike McInerney
Oversight Board Chair

Barbara Crump
Oversight Board Secretary

OVERSIGHT BOARD STAFF REPORT

MEETING DATE: January 22, 2018

ITEM VI.A: APPROVE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR July 1, 2018, through June 30, 2019

RECOMMENDED ACTION:

Adopt Resolution No. 89 Approving An Administrative Budget for July 1, 2018, through June 30, 2019.

BACKGROUND:

The Dissolution Law requires that a Successor Agency prepare a proposed administrative budget and submit it to the Oversight Board for its approval. The Administrative Budget has been prepared in conjunction with the preparation of the ROPS 18-19. Under SB 107, the Administrative Budget is not required to be submitted to DOF for approval.

DISCUSSION:

The Successor Agency staff has prepared the attached Administrative Budget for the Oversight Board's review and consideration. Successor Agency staff will be at this meeting to address changes made to the ROPS compared to the last submission and has summarized the changes as follows:

Please note the following substantive changes from the approved 17-18 Administrative Budget. These changes take into account the fact that there are no additional Successor Agency properties to dispose of and that the County of Santa Clara will be assuming the role of Oversight Board countywide starting July 1, 2018. All remaining items are to account for ongoing staffing, administration, and overhead expenses:

- Administrative Budget – Reduced from \$110,456 to \$87,285

Staffing:

- Reduced City Manager from 2% (\$8,107) to 1% (\$4,099)
- Removed City Clerk (\$1,148)
- Removed Systems Administrator (\$988)
- Reduced Executive Secretary Legal from 0.75% (\$1,384) to 0.5% (\$976)
- Reduced Finance Director from 5% (\$15,581) to 4% (12,896)

Changes resulted in lowering of staffing costs by \$9,547; slightly offset by other normal annual increases to salary and benefit costs. Total staffing costs decreased by **\$8,671**.

Other Items:

- Reduced BBK Legal Services from \$20,000 to \$15,000
- Removed County of Santa Clara Oversight Board Clerk (\$1,500)
- Removed Montoy Law Corp Oversight Board Attorney (\$8,000)

Changes resulted in lowering of other costs by **\$14,500**.

Total cost reduction: **\$23,171**

ATTACHMENTS:

Successor Agency's Proposed Admin Budget
Proposed Resolution No. 89

**City of Milpitas Successor Agency
ROPS 18-19 Administration Budget
July 2018 to June 2019**

Payee	Description	July - Dec 18 Jan - Jun 19		Total
		Amount	Amount	
City of Milpitas	Successor Agency Adm Costs - staff	\$ 21,242	\$ 21,242	42,485
BBK	Successor Agency Legal Services	7,500	7,500	15,000
ABAG PLAN	Property Insurance	500	-	500
Various vendors	Copier lease, printing, storage, office equip	750	750	1,500
Maze & Assoc.	Audit Costs	4,500		4,500
US Bank	Adm. Fee for debt services	5,500		5,500
Wells Fargo Bank	Bank fee for checking account	750	750	1,500
ACS	Arbitrage Calculation	2,500		2,500
Willdan Financial	Bond Continued disclosure	1,000	3,500	4,500
PG&E	Electric Utility Costs	2,600	2,600	5,200
ABAG POWER	Gas Utility Costs	300	300	600
City of Milpitas	Water Utility Costs	1,750	1,750	3,500
Total		\$ 48,892	\$ 38,392	87,285

Successor Agency Administrative Costs - Staff
July 2018 to June 2019 (ROPS 18-19)

Position	Job Duties related to Successor Agency	FY18-19		PCT	12 months		6 months		6 months	
		Salaries & Benefits			July 2018 to June 2019	July 2018 to Dec 2018	Jan 2019 to Jun 2019			
City Manager	Management of Agency Wind Down	409,925	1%		4,099	2,050	2,050			
Executive Secretary	Provide office support to City Manager	166,466	1%		1,665	832	832			
Executive Secretary - legal	Assistance to City Attorney in performing his duties	176,482	0.5%		976	488	488			
Finance Director	ROPS, oversight board, successor agency financial transactions wind down, dealing with DOF & SCO	322,403	4%		12,896	6,448	6,448			
Budget Manager	Provide analytical support to Finance Director and assist in ROPS.	204,962	2%		4,099	2,050	2,050			
Accounting Technician	Perform banking and Investment functions	138,310	2%		2,766	1,383	1,383			
Assistant Finance Director	Assist in oversight board, accounting, and dealing with DOF & SCO	270,649	2%		5,413	2,706	2,706			
Sr. Accountant	Perform accounting functions	183,118	4%		7,325	3,662	3,662			
Fiscal Assistant	Provide clerical support to Fin Director & Manager and bank reconciliation	130,314	1%		1,303	652	652			
Fiscal Assistant	Perform Accounts Payable functions	130,314	1%		1,303	652	652			
Fiscal Assistant	Revenue collection	127,772	0.5%		639	319	319			
Total					42,485	21,242	21,242			

RESOLUTION NO. 89

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS REDEVELOPMENT AGENCY APPROVING AN ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2018, THROUGH JUNE 30, 2019

WHEREAS, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the “Dissolution Law”); and

WHEREAS, the Dissolution Law provides for the payment of the administrative costs of the Successor Agency to the Former Milpitas Redevelopment Agency (“Successor Agency”), subject to the approval of the Oversight Board of the Successor Agency (“Oversight Board”); and

WHEREAS, the Successor Agency prepared and submitted an administrative budget for the period of July 1, 2018, through June 30, 2019, in accordance with the Dissolution Law; and

WHEREAS, the administrative budget prepared by the Successor Agency was considered by the Oversight Board on January 22, 2018.

NOW, THEREFORE, the Oversight Board of the Successor Agency of the former Milpitas Redevelopment Agency resolves as follows:

Section 1. The recitals set forth above are true and correct and are incorporated herein by reference.

Section 2. The Oversight Board has considered the full record before it.

Section 3. The Oversight Board adopts the Administrative Budget as attached hereto.

(Attestation on next page)

PASSED AND ADOPTED this 22nd day of January 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Barbara Crump
Oversight Board Secretary

Mike McInerney
Oversight Board Chair

OVERSIGHT BOARD STAFF REPORT

MEETING DATE: January 22, 2018

ITEM VI.B: ADOPTION OF RESOLUTION NO. 90 APPROVING SUCCESSOR AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2018, THROUGH JUNE 30, 2019

RECOMMENDED ACTION:

Adopt Resolution No. 90 Approving a Recognized Obligation Payment Schedule for the period of July 1, 2018, through June 30, 2019 (ROPS 18-19).

BACKGROUND:

The Dissolution Law requires that the Successor Agency prepare a Recognized Obligation Payment Schedule (ROPS) for July 1, 2018, through June 30, 2019. The ROPS is to be submitted to California Department of Finance (DOF) not later than February 1, 2018. The attached ROPS 18-19 has been prepared by the Successor Agency and follows the form prescribed by DOF.

The Successor Agency has submitted the attached ROPS for the July 1, 2018, through June 30, 2019 period to the Oversight Board for its review and approval. Successor Agency staff will be at this meeting to address changes made to the ROPS compared to the last submission and has summarized the changes as follows:

Please note the following substantive changes from the approved 17-18 ROPS. These changes are implemented mainly to take into account the fact that there are no additional Successor Agency properties to dispose of and that the County of Santa Clara will be assuming the role of Oversight Board countywide starting July 1, 2018. Other changes are made to follow payment schedules for recognized obligations:

- ROPS - Increased from \$16,927,456 to \$17,905,285
 - #2 – Agreement of Purchase and Sale (County of Santa Clara) Increased from \$5,000,000 to \$6,000,000 per payment schedule.
 - #9 - Administrative Budget (City of Milpitas) Reduced from \$110,456 to \$87,285 as shown on separate staff report for Administrative Budget.
 - #15 – 2015 Tax Allocation Bond (US Bank) Increased from \$11,817,000 to \$11,818,000 per payment schedule.

Changes resulted in an increase of **\$977,829**.

ATTACHMENTS:

Successor Agency's Proposed ROPS
Proposed Resolution No. 90

Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency:

Milpitas

County:

Santa Clara

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$	\$	\$
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	-	-	-
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 5,957,643	\$ 11,947,642	\$ 17,905,285
F	RPTTF	5,908,750	11,909,250	17,818,000
G	Administrative RPTTF	48,893	38,392	87,285
H	Current Period Enforceable Obligations (A+E):	\$ 5,957,643	\$ 11,947,642	\$ 17,905,285

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Will Fuentes Director of Financial Services

Name Title

/s/

Signature Date

Report Amounts in Whole Dollars)

1-22-18 Page 12

Milpitas Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances
July 1, 2015 through June 30, 2016
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (i), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [\[INSERT URL LINK TO CASH BALANCE TIPS SHEET\]](#)

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
	Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)							Comments
1	Beginning Available Cash Balance (Actual 07/01/15)							
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16 total distribution from the County Auditor-Controller during June 2015 and January 2016.		15,227			-	140,025	
3	Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)		14			9,359	21,120,540	
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)		10			9,359	18,179,186	
5	ROPS 15-16 RPTTF Balances Remaining		15,231				3,081,379	
		No entry required						
6	Ending Actual Available Cash Balance (06/30/16) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)						-	

RESOLUTION NO. 90

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE JULY 1, 2018, THROUGH JUNE 30, 2019 PERIOD

WHEREAS, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (Dissolution Law); and

WHEREAS, under the Dissolution Law, the Successor Agency is required to submit a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance for the ensuing twelve month period; and

WHEREAS, the Successor Agency has prepared and submitted the ROPS for the July 1, 2018, through June 30, 2019 period to the Oversight Board; and

WHEREAS, the ROPS has been reviewed and considered by the Oversight Board at a public meeting.

NOW, THEREFORE, the Oversight Board of the Successor Agency of the former Milpitas Redevelopment Agency resolves as follows:

Section 1. The recitals set forth above are true and correct and are incorporated herein by reference.

Section 2. The Oversight Board approves the schedule attached as Exhibit A as the Recognized Obligation Payment Schedule for the July 1, 2018, through June 30, 2019 period (ROPS 18-19).

Section 3. The Oversight Board directs Successor Agency staff to forward the approved ROPS to the California Department of Finance.

Section 4. This resolution will become effective as provided by Health and Safety Code Section 34179(h).

(Attestation on Next Page)

PASSED AND ADOPTED this 22nd day of January 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Barbara Crump
Oversight Board Secretary

Mike McNerney
Oversight Board Chair